

AMENDED IN ASSEMBLY MAY 1, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

AMENDED IN ASSEMBLY APRIL 7, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 802

Introduced by Assembly Member Williams

February 26, 2015

An act to amend ~~Sections 454.55 and 454.56~~ *Section 381.2* of the Public Utilities Code, relating to energy efficiency.

LEGISLATIVE COUNSEL'S DIGEST

AB 802, as amended, Williams. Public utilities: energy efficiency savings.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to develop and implement a comprehensive program to achieve greater energy savings in existing residential and nonresidential building stock. Existing law requires the Public Utilities Commission (PUC) to investigate the ability of electrical corporations and gas corporations to provide various energy efficiency financing options to their customers for the purposes of implementing the program developed by the Energy Commission.

This bill would require the PUC, by July 1, 2016, to authorize electrical corporations and gas corporations to recover in rates the reasonable costs of programs providing incentives or rebates or both incentives and rebates to their customers to increase the energy efficiency of existing buildings, as specified. The bill would require the PUC to authorize electrical corporations and gas corporations to count all energy savings achieved toward overall energy efficiency goals or

targets established by the PUC. The bill would authorize the PUC to adjust the energy efficiency goals or targets of electrical corporations and gas corporations to reflect the energy savings achieved in meeting or exceeding energy efficiency requirements in existing buildings.

~~Existing law requires the Public Utilities Commission (PUC), in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to identify all potentially achievable cost-effective electricity efficiency savings, and to establish efficiency targets for electrical corporations to achieve pursuant to their procurement plan. Existing law requires the PUC, in consultation with the Energy Commission, to identify all potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for gas corporations to achieve, and requires that a gas corporation first meet, its unmet resource needs through all available gas efficiency and demand reduction resources that are cost effective, reliable, and feasible.~~

~~This bill would require the PUC, in evaluating the cost-effectiveness of those efficiency savings, to consider the total energy savings to be the difference between the energy usage after the installation of the energy efficiency measure funded by ratepayer-funded incentives or rebates and the energy usage without that energy efficiency measure.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 381.2 of the Public Utilities Code is*
- 2 *amended to read:*
- 3 381.2. (a) ~~By March 1, 2010, the commission, by opening a~~
- 4 ~~new proceeding or amending an existing proceeding, The~~
- 5 *commission shall investigate the ability of electrical corporations*
- 6 *and gas corporations to provide various energy efficiency financing*
- 7 *options to their customers for the purposes of implementing the*
- 8 *program developed pursuant to Section 25943 of the Public*
- 9 *Resources Code.*
- 10 (b) *By July 1, 2016, the commission, in a separate or existing*
- 11 *proceeding, shall authorize electrical corporations or gas*
- 12 *corporations to recover in rates the reasonable costs of programs*
- 13 *that provide financial incentives or rebates or both incentives and*
- 14 *rebates to their customers to increase the energy efficiency of*

1 existing buildings based on all estimated energy savings and energy
2 usage reductions, taking into consideration the overall reduction
3 in normalized metered energy consumption as a measure of energy
4 savings. Those programs shall include energy usage reductions
5 resulting from the installation of a measure or equipment required
6 for modifications to existing buildings to bring them into conformity
7 with, or exceed, the requirements of Title 24 of the California Code
8 of Regulations. The commission shall authorize an electrical
9 corporation and gas corporation to count all energy savings
10 achieved toward overall energy efficiency goals or targets
11 established by the commission. The commission may adjust the
12 energy efficiency goals or targets of an electrical corporation and
13 gas corporation to reflect the energy efficiency savings achieved
14 in meeting or exceeding the requirements of Title 24 of the
15 California Code of Regulations in existing buildings.

16 (b)

17 (c) In the report prepared pursuant to Section 384.2, the
18 commission shall include an assessment of each electrical
19 corporation's and each gas corporation's implementation of the
20 program developed pursuant to Section 25943 of the Public
21 Resources Code.

22 ~~SECTION 1. (a) It is the intent of the Legislature to enact~~
23 ~~legislation to require electrical and gas corporations to satisfy the~~
24 ~~state's energy requirements with energy efficiency measures when~~
25 ~~procuring those measures is less expensive to the corporation than~~
26 ~~procuring alternative electric or gas resources.~~

27 ~~(b) It is the intent of the Legislature to enact legislation to require~~
28 ~~that all applicable state and federal contractor qualifications,~~
29 ~~licensing, certifications, and wages appropriate for the work to be~~
30 ~~performed are followed for any energy efficiency retrofit and~~
31 ~~installation project funded by ratepayers.~~

32 ~~SEC. 2. Section 454.55 of the Public Utilities Code is amended~~
33 ~~to read:~~

34 ~~454.55. (a) The commission, in consultation with the State~~
35 ~~Energy Resources Conservation and Development Commission,~~
36 ~~shall identify all potentially achievable cost-effective electricity~~
37 ~~efficiency savings and establish efficiency targets for an electrical~~
38 ~~corporation to achieve pursuant to Section 454.5.~~

39 ~~(b) In evaluating the cost-effectiveness of electricity efficiency~~
40 ~~savings, the commission shall consider the total electricity~~

1 efficiency savings to be the difference between the electrical usage
2 resulting after the installation of the energy efficiency measure
3 funded by ratepayer-funded incentives or rebates, and the electrical
4 usage without that energy efficiency measure, without regard to
5 standards prescribed pursuant to subdivision (a) or (b) of Section
6 25402 of the Public Resources Code.

7 SEC. 3. Section 454.56 of the Public Utilities Code is amended
8 to read:

9 454.56. (a) The commission, in consultation with the State
10 Energy Resources Conservation and Development Commission,
11 shall identify all potentially achievable cost-effective natural gas
12 efficiency savings and establish efficiency targets for the gas
13 corporation to achieve.

14 (b) A gas corporation shall first meet its unmet resource needs
15 through all available natural gas efficiency and demand reduction
16 resources that are cost effective, reliable, and feasible.

17 (c) In evaluating the cost-effectiveness of natural gas efficiency
18 savings, the commission shall consider the total natural gas
19 efficiency savings to be the difference between the natural gas
20 usage resulting after the installation of the energy efficiency
21 measure funded by ratepayer-funded incentives or rebates, and the
22 natural gas usage without that energy efficiency measure, without
23 regard to standards prescribed pursuant to subdivision (a) or (b)
24 of Section 25402 of the Public Resources Code.